

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS SCHENK
TO INTERROGATORIES OF NASHUA, DISTRICT, MYSTIC & SEATTLE
AND MOTION FOR LATE ACCEPTANCE
(NDMS/USPS-T27-1, 2a, 4a and 5)**

The United States Postal Service hereby files the responses of Leslie Schenk to the following interrogatories of Nashua, District, Mystic & Seattle, dated August 29, 1997: NDMS/USPS-T27-1, 2a, 4a and 5.

The interrogatories are stated verbatim and are followed by the responses.

Interrogatories T27-2b&c, 3 and 4b&c have been redirected to the Postal Service for response and are being filed today.

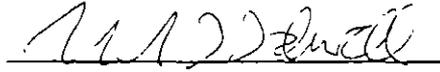
These responses of witness Schenk and the redirected responses were due to have been filed two weeks ago on September 14, 1997. The need to consult with representatives of various departments here at Headquarters, witness Schenk's workload and travel schedule on matters unrelated to this proceeding, the fallibility of e-mail transmission between Madison, Wisconsin and Washington, D.C., have all contributed to the lateness of these filings. The Postal Service regrets this delay and will send facsimile copies of both sets of responses to NDMS counsel today to mitigate any prejudice.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

A handwritten signature in black ink, appearing to read "Michael T. Tidwell", written over a horizontal line.

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202)268-2998/FAX: -5402
September 30, 1997

RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS SCHENK
TO THE INTERROGATORIES OF NDMS

NDMS/USPS-T27-1.

At p. 6 of your testimony you state that "only 14 percent of BRMAS-qualified BRM is counted and rated on a BRMAS operation."

- a. For those pieces that **are** counted and rated on a BRMAS operation, what is the total unit cost of all counting and rating activities performed by the *Postal Service*?
- b. For the 86 percent of BRMAS-qualified BRM that **are not** counted and rated on a BRMAS operation, what is the unit cost of all counting and rating activities performed by the *Postal Service*?

RESPONSE:

- a. For those pieces that are counted and rated in a BRMAS operation, and given the assumption concerning productivity as stated in my original testimony, the unit cost of all counting and rating activities performed by the *Postal Service* is:

[from Exhibit USPS-27C]

\$0.0064	line [11]
+ \$0.0040	line [12]
- <u>\$0.0231</u>	line [15]
(\$0.0127)	

- b. For those BRMAS-qualified BRM that are counted and rated manually in the Postage Due Unit, the unit cost of all counting and rating activities performed by the *Postal Service* is:

[from Exhibit USPS-27C]

\$0.0827	line [13]
- <u>\$0.0231</u>	line [15]
\$0.0596	

RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS SCHENK
TO THE INTERROGATORIES OF NDMS

NDMS/USPS-T27-2.

- a. Please confirm that for Test Year After Rates the BRMAS coverage factor is estimated at only 5.87 percent in USPS-27C.
- b. In Base Year 1996, how many facilities used automated BRMAS equipment to process BRM paying the BRMAS rate?
- c. In Test Year After Rates, how many facilities were expected to process BRM on automated BRMAS equipment?

RESPONSE:

- a. Confirmed.
- b. Redirected to USPS.
- c. Redirected to USPS.

RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS SCHENK
TO THE INTERROGATORIES OF NDMS

NDMS/USPS-T27-4.

- a. For each year since Docket No. R90-1, what has been the BRMAS coverage factor?
- b. What are the major reasons why the BRMAS coverage factor has never reached the levels anticipated by the Postal Service in Docket No. R90-1?
- c. What sense does it make to have a "BRMAS Program" when the coverage factor is less than 6 percent, and declining?

RESPONSE:

- a. The BRMAS coverage factor is not available for any years between 1990 and 1996. Between 1990 (when the Postal Service study used in support of Docket No. R90-1 was done) and 1996 (when the BRM Practices Survey was done in support of Docket No. R97-1), no studies were done to estimate the BRMAS coverage factor. These data are not collected nationally in a Postal Service database.
- b. Redirected to USPS.
- c. Redirected to USPS.

RESPONSE OF THE UNITED STATES POSTAL SERVICE WITNESS SCHENK
TO THE INTERROGATORIES OF NDMS

NDMS/USPS-T27-5.

Your testimony at p. 13 states that "a new BRMAS program is expected to be in place during the test year."

- a. What is the new BRMAS program? Please provide a brief explanation and submit a copy of the program as a library reference.
- b. When is implementation of the new BRMAS program expected to begin, and when is full implementation expected to be accomplished?
- c. How does the new BRMAS program differ from the old BRMAS program?
- d. What is the expected effect of the new BRMAS program on the BRMAS coverage factor?

RESPONSE:

The final proofreading of page 13 of my testimony before it was printed and filed did not catch the omission of the word "not" which should have appeared between the last word on line 1 and the first word on line 2.

The sentence from which you quote should have read as follows:

"Since a new BRMAS program is not in place as of the filing of this case, and will not be in place during the test year, the current BRMAS coverage percentage is the applicable BRMAS coverage factor to use in this model, *ceteris paribus*."

A corrected page will be filed.

Please note that pages 9 (footnote 6), and 10 (lines 9-10) of my testimony both correctly reflect that there will **not** be a new BRMAS program in effect during the test year.

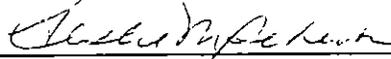
a. - d. Redirected to USPS.

DECLARATION

I, Leslie M. Schenk, hereby declare, under penalty of perjury, that the foregoing Docket No. R97-1 interrogatory responses are true to the best of my knowledge, information, and belief.

9-30-97

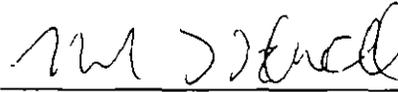
Date



Leslie M. Schenk

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1145
September 30, 1997